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April 24, 2020

Docket Control  
Commissioner Sandra D. Kennedy  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Response of Arizona Public Service Company (APS or Company)  
Inquiry into Utility Preparedness During the COVID-19 Crisis  
Docket No. AU-00000A-20-0050

Commissioner Kennedy:

Thank you for your reply to the Company's April 17, 2020 letter. Below are answers to your questions.

**Is APS affirmatively reconnecting ratepayers who have had their service disconnected?**

Yes. As stated in previous filings, APS voluntarily suspended all disconnections for non-payment on March 13, 2020. At that time, there were 180 residential and 20 commercial customers who had been disconnected for non-payment over the prior two weeks. APS has reached out to these customers and reconnected services for those who still reside at the home and wanted to have their service reconnected. Voicemails or letters were sent to those customers who could not be reached.

**APS is directing ratepayers to rates based on their previous 12 months of usage. Why is that the case, when the shelter-in-place orders have completely transformed ratepayer load profiles and demand?**

While the stay-at-home orders are resulting in higher customer load in the middle of the day, changes in load profiles will vary based on the activities of each individual customer. For example, use of large appliances (clothes dryers, pool pumps, etc.) drive higher usage than computers, lights and TVs. Therefore, during stay-at-home orders, customers continue to have the opportunity to take advantage of lower pricing during off-peak hours.

Accordingly, as explained in our previous letter, APS is helping customers understand how to take advantage of their time-of-use service plans or obtain assistance during the pandemic through additional content on [aps.com](http://aps.com), including a "COVID-19

resources” page that features links to assistance programs, savings tips, and service plan options. Through these links, customers can learn about assistance programs for which they may qualify, strategies for saving on their bills, and the Company’s various service plans. The APS COVID-19 resources pages have been viewed over 130,000 times since going live on March 14.

**How would you rate your performance with ratepayer communication during this challenging time?**

APS customers deserve nothing less than the most reliable and affordable energy, delivered with the highest-quality customer service. With that in mind, APS is constantly striving to improve its communications with customers. In addition to our regular customer communications via bill messaging, aps.com, and bill inserts, we have taken the following steps to improve:

- Convened a monthly stakeholder group that includes representatives of limited income and residential customer advocacy groups, such as Wildfire, Arizona PIRG, SWEEP, AARP, St. Vincent De Paul, and RUCO. This group was instrumental in improving the Company’s pro forma billing, and has provided feedback on the Company’s COVID-19 Emergency Relief Package;
- Begun the process of establishing a Customer Advisory Board comprised of a representative group of APS customers who will be asked to provide regular feedback on Company programs and customer outreach efforts. APS will convene the Board when social distancing restrictions are relaxed;
- Engaged JD Power Consulting to provide feedback on areas where the Company can improve customer service;
- Initiated a Mystery Shopper Program that will assess customer experiences with various APS customer communication channels, including the Customer Care Center and aps.com;
- Implemented a Customer Experience Survey that allows customers to provide feedback on the Customer Care Center, interactive voice response (IVR) system, and aps.com;
- Implemented message testing with an online panel that will provide feedback on customer communications, enabling the Company to assess and refine key communications prior to implementation;
- Added customer-focused questions in the employee engagement survey to hear directly from employees regarding areas where the Company can make changes that have a positive impact on customers, and
- As outlined by CEO Jeff Guldner at a recent open meeting, APS is fostering a workplace culture of ‘speak up, challenge and empower’ to encourage employees to identify and act on solutions for helping customers.

These steps will help to ensure that we are receiving real-time feedback from actual customers and customer advocates, to help us improve. We look forward to sharing the results of these efforts in future open meetings and correspondence.

**How many ratepayers have changed from TOU and demand rates to flat rates since March 16, 2020? For comparison, I would also like to know how many**

**changed from TOU and demand rates to flat rates during the same timeframe in 2019.**

Between March 16, 2019 and April 17, 2019, 378 residential customers changed from a TOU or Demand rate to a kWh-only rate.

For the same timeframe in 2020, 874 residential customers changed from a TOU or Demand rate to a kWh only rate. For context, during this same time, 2109 customers switched from a kWh-only rate to a demand or TOU rate.

It is also worth noting that, for the same timeframe, there was a 75% increase in the number of rate plan changes in 2020 compared to 2019. This may be indicative of the effectiveness of the re-launch of the rate comparison tool and the implementation of pro forma billing. The majority of customers who switched chose a demand rate.

**Why has APS completely shifted the burden onto ratepayers to find out and use certain devices only at certain times of the day? Per APS's online message to ratepayers, are you really recommending that they schedule screen time around the electric bill?**

As explained previously, APS is committed to informing customers of ways they can save money on their electricity bill. We encourage customers to shift their use of large appliances, which use the most energy, and in many cases can be used on a discretionary basis, but also help customers shift and save in small ways, including their use of small-usage appliances such as televisions and computers.

APS's energy-saving tips are currently being updated for the transition to summer months. The new summer tips will include recommendations such as pre-cooling, which is proven to save customers money.

**Since March 16, 2020 (the date of the Special Open Meeting on COVID-19), how and when have you notified ratepayers about bill assistance funds, including but not limited to the Customer Support Fund [CSF]?**

On March 17, APS published a letter on aps.com from Company President and Chief Operating Officer Daniel Froetscher informing customers of resources available to help during the COVID-19 pandemic, including the Customer Support Fund. This letter was also e-mailed to all customers who have signed up to receive e-mail correspondence from the Company.

In addition, as noted above, APS has developed a "COVID-19 resources" page on aps.com that includes a link to assistance programs, where customers can learn about discounts and eligibility requirements of the following programs:

- Energy Support Program(E3)
- Energy Support with Medical Program(E4)
- Project SHARE
- Crisis Bill Assistance
- 2-1-1 Arizona

Furthermore, any customer who contacts the APS Customer Care Center and states that they have been negatively impacted by the COVID-19 pandemic is eligible for an

immediate \$100 bill credit from the Customer Support Fund if their account is delinquent by two months or more. All limited-income (E-3 and E-4) customers are also immediately eligible for the \$100 bill credit.

**What is the funding source of the Customer Support Fund? Are ratepayer funds used? Please provide documentation. What is the shareholder contribution to the CSF?**

As discussed in previous conversations and letters, the APS Customer Support Fund is 100% funded by shareholders. Additional documentation can be provided if necessary.

**What are the funding sources for any and all COVID-19 related donations to 501(c)(3)s, trade organizations, relief funds or similar entities? Are ratepayer funds used? Provide documentation. What was the source of the APS contribution to the Arizona Covid Relief Fund?**

Contributions to all 501(c)(3), trade, and relief organizations, including Az Together (the Arizona COVID-19 Relief Fund), are 100% funded by shareholders.

**Since March 16, 2020, how many individual calls and social media interactions have you had with ratepayers who have indicated difficulty paying bills?**

*Phone Calls*

Using automated speech analytics, we estimate that approximately 19,052 customer phone calls to the Customer Care Center between March 16 and April 20 included references to COVID-19 and/or a customer's inability to pay. Not all of these customers requested bill assistance. Roughly 10,669 of these calls were residential customers and 8,383 were commercial. There were 143,739 total calls during this period.

*Social Media*

Between March 16 and April 20, APS assisted approximately 24 customers who contacted the Company via social media regarding an inability to pay their bill as a result of COVID-19. APS Customer Advisors responded to these customers by asking for their account information so we could explain our assistance programs, set them up on payment arrangements, and provide credits from the Customer Support Fund, if eligible.

**What is the criteria that APS requires before a ratepayer is notified of and/or receives bill assistance?**

As explained above, any customer who contacts the APS Customer Care Center and states that they have been negatively impacted by the COVID-19 pandemic is eligible for an immediate \$100 bill credit from the Customer Support Fund if their account is delinquent by two months or more. The two-month delinquency requirement was put into place to ensure that resources are focused on those customers who are already in arrears and at risk of future disconnection due to non-payment. All limited-income (E-3 and E-4) customers are also immediately eligible for the \$100 bill credit.

Customers are also made aware of APS's other bill assistance programs, including:

- Energy Support Program (E3)
- Energy Support with Medical Program (E4)
- Project SHARE
- Crisis Bill Assistance
- Weatherization Program
- 2-1-1 Arizona

**How many individual ratepayers have received bill assistance since March 16, 2020?**

APS has distributed over \$982,000 from the Customer Support Fund to 9,612 residential and 211 commercial customers as of April 23.

**What is the total amount provided to each individual ratepayer?**

The Customer Support Fund provides a one-time bill credit of \$100 for residential and commercial customers.

**If the amount differs per ratepayer, what is the criteria for receiving the maximum amount of funds?**

Each eligible customer receives a one-time \$100 bill credit.

**Why must a ratepayer be behind two months on bill payments before receiving assistance?**

As explained previously, the two-month delinquency requirement was put into place to ensure that resources are focused on those customers already in arrears and at risk of future disconnection due to non-payment.

Please let me know if you have further questions.

Sincerely,



Barbara Lockwood

BDL/bgs